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NOTIFICATIONS BY GOVERNMENT

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MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT DEPARTMENT (CRDA.2)

AMARAVATI LAND ALLOTMENT REGULATIONS, 2017

[G.O.Ms.No. 229, Municipal Administration and Urban Development (CRDA.2), 15th June, 2017]

NOTIFICATION

In exercise of the powers conferred under Section 19 read with Section 130 of the Andhra Pradesh Capital Region Development Authority Act, 2014 (Act No. 11 of 2014) the Andhra Pradesh Capital Region Development Authority hereby with the prior approval of the State Government make the following Regulations, namely Amaravati Land Allotment Regulations, 2017.

REGULATIONS

Objective : Andhra Pradesh Capital Region Development Authority Act, has come into force from December 30, 2014 after Notification in the Official Gazette of the Government of Andhra Pradesh. Sub-section (1) of Section 18 of the Act provides for Rules for the purpose of implementation of the objectives of the Act. Government of Andhra Pradesh vide Notification...........published in the Government of Andhra Pradesh Gazette of ...., published the Rules called Amaravati Land Allotment Rules, 2017 and the same has come into force from sub-section (1) of Section 19 of the Act and the above said Rules provide for framing of Regulations and /or Standing Orders to give effect to the provisions of the Act and /or said Rules. These Regulations are framed by the APCRDA with the previous approval of the Government of Andhra Pradesh vide its_____dated_____to prescribe in detail the methodology and the procedure for allotment of land.

PRILIMINARY

1. Short Title, Commencement, Extent and Application

1.1 These Regulations may be called the Amaravati Land Allotment Regulations2017.

1.2 They shall come into force on the date of their Notification in the Official Gazette of the Government of Andhra Pradesh.

1.3 These Regulations apply to the lands acquired by, vested in, or belonging to the Andhra Pradesh Capital Region Development Authority within the Amaravati Capital City Area.

1.4 These Regulations provide for:

1.4.1. Constitution of the Committee of the Authority and overall process of Land allotment.

1.4.2. Procedure to determine the Pricing: Base Price and Reserve Price

1.4.3. Detailed procedure for Allotment of Land by the Authority under various methods prescribed in the Amaravati Land Allotment Rules, 2017.

1.4.4 Terms and conditions of the arrangement including but not limited to the payment of the Lease Premium, Annual lease Rent, Consideration for Sale (Sale Amount) and any other payments that the Authority is competent to receive in connection with the allotment of Land, including Service Charges, general and special terms and conditions of allotment of Land by the Authority.

2. Definitions

1. In these Regulations, unless the context otherwise requires;

(a) **Act** means the Andhra Pradesh Capital Region Development Authority Act, 2014.

(b) **Authorized Person** means the person or body authorized to take final decision in cases of Land allotment.

(c) **Base** Floor space index is the Floor space index declared by the Authority through a Standing Order for different types of uses for the purpose of allotment of Land either by Lease or Sale.

(d) **Economically weaker section Housing** is for the beneficiaries as may be identified by the Government of Andhra Pradesh or Government of India from time to time.

(e) **Intending Lessee** in these Regulations shall mean the successful Applicant to whom the Letter of Intent has been issued in cases of allotment on Leasehold basis.

(f) **Intending Buyer** in these Regulations shall mean the successful Applicant, to whom the Letter of Intent has been issued in cases of allotment on Freehold basis.

(g) **Regulations** mean the Amaravati Land Allotment Regulations, 2017 described herein.

(h) **Rules** mean the Amaravati Land Allotment Rules 2017.

(i) **Standing Orders** means the Standing Orders issued by the Authority from time to time.

(j) **Letter of Intent** is the letter issued by the Authority to the successful Applicant as per these Regulations.

2. All other capitalized Terms used and not defined here shall have the same meaning as assigned to them in the respective Acts/Rules.

3. Formation of Committee and Procedures

3.1 Committee

3.1.1 The Authority shall constitute the Land Allotment Scrutiny Committee (LASC).

3.1.2 **Land Allotment Scrutiny Committee (LASC):** The LASC shall consist of an Additional Commissioner (dealing with the subject) as Chairman and the heads of the following departments as members: Finance & Accounts, Engineering, Planning, Estates and Economic Development and shall be constituted by a Standing Order of the Authority.

3.1.3 The Committee shall make its recommendations to the Commissioner for his consideration on various aspects as envisaged in Regulation 4.

3.1.4 The LASC shall have the following Role and Responsibilities:

3.1.4.1 Land assessment:

3.1.4.1.1 Assess the land available with the Authority and list out the area wise, zone wise lands to be allotted in the next 1 year/5 years/10 years from the date of notification of these Regulations and earmark them for different purposes of allotment.

3.1.4.1.2 Identify lands to be reserved for a successive period of ten (10) years from the date of notification of these Regulations for the purpose of achieving monetization at a future date.

3.1.4.2 Recommend the Method of Allotment in general or in specific cases as provided under these Regulations and also the nature of arrangement pertaining to Leasehold or Freehold.

3.1.4.3 Suggest the implementation period if it is necessary to be different than the generally provided implementation period.

3.1.4.4 Deliberate and recommend the Base Price. Similarly, also deliberate and recommend the Reserve Price for various types of uses and update it from time to time. The Committee may submit its recommendation on a special revision of the Reserve Price at any time including the circumstances such as an increase in the value of the Land or due to status of development on the Land.

3.1.4.5 Suggest applicable process fees, refund amounts and penalties.

3.1.4.6 Specify the size of parcels for different land uses and fix eligibility of the Applicants.

3.1.4.7 Laydown the structure of Detailed Project Report (DPR), if any, to be submitted by different types of allottees.

3.1.4.8 Specify the project milestones for different types of projects for example, statutory approvals, financial closure, land development, construction, procurement of plant and machinery, installation, commissioning, and so on.

3.1.4.9 Recommend to the Commissioner for approval of standard or specific Bidding Documents such as Marketing Booklet in cases of land allotment.

3.1.4.10 Examine the proposals and evaluate DPRs with reference to the aspects such as value of the land sought to be allotted, viability of the project, type of investment and so on.

3.1.4.11 Prescribe the procedures and parameters to monitor land allotments with respect to the agreed project deliverables.

3.1.4.12 Hold negotiations with the Allottees for the alternative development of the Land including joint development/joint ventures in cases of default by the Allottees in the implementation of the project on the allotted Land.

3.1.4.13 In case of defaulting projects, make recommendations to the Authority on matters such as:

3.1.4.13.1 Cancellation of allotments.

3.1.4.13.2 Resumption of undeveloped portion of Land, and

3.1.4.13.3 Re-allotment of partially developed projects.

3.1.5 A social sciences expert (in case of allotment for social amenities) shall be included as a member of the LASC for such deliberations.

3.2 Process flow for allotment of land

3.2.1 Identify the Land / Plots to be allotted and demarcate them on the map and the ground.

3.2.2 Assess the availability and requirements of infrastructure for demarcated plots.

3.2.3 Determine the Base Price and the Reserve Price for the Land/ Plots through the Land Allotment Scrutiny Committee (LASC)

3.2.3.1 Prepare a marketing booklet (will be prepared by the relevant department of CRDA) for the identified Land/Plots which shall include the following:

3.2.3.1.1 Invitation to Offer – including but not limited to the following: terms of offer, location of the

land/plots, eligibility criteria, process for making the offer, amount of the earnest money deposit (EMD), documents to be enclosed, validity of offer, opening and intimation to the bidder, refund of EMD.

3.2.3.1.2 The General and Specific Conditions of Offer.

3.2.3.1.3 Following Maps indicating the location and dimensions of the Land/Plots:

3.2.3.1.3.1 Master Plan

3.2.3.1.3.2 Sector Plan

3.2.3.1.3.3 Land / Plots Layout

3.2.3.1.4 Project Milestones in large Projects.

3.2.3.1.5 Method of Allotment and the evaluation criteria.

3.2.3.1.6 Format of Offer including the Application Form containing the details of the Applicant, List of documents to be enclosed, and bid price.

3.2.3.2 The relevant CRDA department shall seek inputs from the concerned Government department in cases where the method of allotment is by Nomination/On Application.

3.2.3.3 Get the Marketing booklet approved by the appropriate level of the Authority.

3.2.3.4 Issue a Public Notice 21 days prior to the allotment in the manner provided in the Act, about the intending allotment. The Public Notice shall include the following details of the land:

3.2.3.4.1 Description of the property

3.2.3.4.2 Reserve Price

3.2.3.4.3 Cost of application

3.2.3.4.4 Amount of earnest money deposit

3.2.3.5 Place, date and time of auction or last date, place and time of submission of tender/application as the case maybe.

Besides the above, the Land Allotment Scrutiny Committee (LASC)

may direct to include any such information in the public notice as it deems fit. The notice will be displayed on the notice board of the office and on the official website of the Authority.

3.2.4 Process the received bids and classify them as 'Responsive' if they meet all the criteria mentioned in the Marketing Booklet and otherwise classify them as 'Non Responsive'.

3.2.5 Put up all bids in a tabular format.

3.2.6 Land Allotment Scrutiny Committee (LASC) selects the best and second best bid or as many number of bids as the plots put to tender or auction and makes recommendations to the Authorized Person for decision.

3.2.7 After the approval from the Authorized Person, the Letter of Intent shall be issued to the successful bidder.

3.2.8 This process shall not apply when the land is sought to be allotted by the Method of 'On Application and/or by Nomination'. For such allotment, the Authority may devise such other objective criteria to assess the merits of each applicant.

3.2.9 In the process of land allotment, the Authority shall follow procedures for the implementation of these Regulations and issue Standing Orders for the same. These procedures are including but not limited to the following:

3.2.9.1 Different methods of selection.

3.2.9.2 Determining the Base Price and Reserve Price.

3.2.9.3 Handover of Land.

3.2.9.4 Implementation monitoring and termination.

3.2.9.5 Any other procedures which may be required for proper implementation of these regulations.

4. Objectives of Land Allotment

4.1 Authority shall allot land for the following objectives or any combination of the same:

4.1.1 Revenue maximization: The objective is to maximize income to the Authority through land allotment.

4.1.2 **Economic Development:** The objective of allotment for economic development is to maximize investments, job creation and value addition at the city level. Such allotments have positive externalities which enhance the land value of

adjacent lands belonging to the Authority. Examples include corporate offices, business parks, banks, financial institutions, etc. The Authority may issue Standing Orders detailing the possible types of Allottees under this category.

4.1.3 **Social Development:** The objective of allotment for social development is to create a liveable environment, facilitate socio-cultural development and provide public services/facilities such as health, education, etc. In this context, commercial exploitation of land is not the primary focus of land use and the determining factors would be the number of people impacted and the liveability standard. As a result, the allotment is done on concessional terms. Examples include affordable housing, not-for-profit health and educational institutions, socio-cultural organizations, etc. The Authority may issue Standing Orders detailing the possible types of Allottees under this category.

4.1.4 **Infrastructure and Public Utilities:** The objective of allotment in this case is to develop essential infrastructure needed for a capital city and for the provision of public utilities such as water, sewerage treatment plans, power supply, roads, post offices, police stations, etc. The potential Allottees under this method are:

4.1.4.1 Public utility players such as Andhra Pradesh Power Generation Corporation.

4.1.4.2 Private players in the public utilities space.

5. Pricing

5.1 Base Price and its Determination

5.1.1 Base Price of the Land or any parcel of land or of any Plot shall be determined in the following manner:

5.1.2 Initially the Base Price may be declared for the entire Land in Amaravati Capital City Area or for a larger portions of land in Capital Region. However, as the differential development takes place, the Base price shall be progressively declared for smaller areas in the Amaravati Capital City or Capital Region reflecting i) similar level of infrastructure and development, or ii) grouped according to the location.

5.1.3 If the Base Price is fixed for the entire Amaravati Capital City Area then it shall be the sum of the following costs divided by the net saleable area under different uses as per the Master Plan.

5.1.3.1 Land Procurement Price which shall be the costs

of land pooling scheme including the cost of acquisition, relief and rehabilitation costs, proportionate cost of Tier 1 infrastructure and full cost of the Tier 2 infrastructure for the area of the land to be returned to original owners.

5.1.3.2 Balance cost of the Tier 1infrastructure.

5.1.3.3 Full cost of the Tier 2 infrastructure in the non-returnable area.

5.1.3.4 Establishment and Administrative costs.

5.1.3.5 The financing costs.

5.1.3.6 Miscellaneous Costs such as legal fees incurred by the Authority towards the implementation of the Act, Rules or these Regulations.

5.1.4 If the Base Price is fixed for specific parcels of land within the Amaravati Capital City Area then it shall be the sum of following costs divided by the net saleable area of that particular parcel of land.

5.1.4.1 Land Procurement Price which shall be the costs of land pooling scheme including the cost of acquisition, relief and rehabilitation costs, proportionate cost of Tier 1 infrastructure and full cost of the Tier 2 infrastructure for the area of the land to be returned to original owners.

5.1.4.2 Proportionate cost of the Tier 1 infrastructure in the said parcel of land.

5.1.4.3 Full cost of the Tier 2 infrastructure in the said parcel of land.

5.1.4.4 Establishment and Administrative costs.

5.1.4.5 The financing costs.

5.1.4.6 Miscellaneous Costs such as legal fees incurred by the Authority towards the implementation of the Act, Rules or These Regulations.

5.1.5 In case of 4.1.4 above, there shall be different Base Price for different parcels of land, due to the existing or proposed differential levels of the infrastructure.

5.1.6 In case of phased allotment of land, only tier2 infrastructure which will be provided by the Authority for subsequent

parcels of land shall be included in the computation of Base Price.

5.1.7 The Base Price may be revised by the Authority from time to time.

5.2 Reserve Price and its Determination

5.2.1 The Authority may from time to time declare the Reserve Price for the land in the Amaravati Capital City Area for different types of uses of land.

5.2.2 Reserve Price shall be determined with due reference to:

5.2.2.1 The type of use of the land.

5.2.2.2 Premium location of the land; if any

5.2.2.3 The Base FSI for the land.

5.2.2.4 Any other criteria to be decided by the Authority from time to time.

5.2.3 Reserve Price shall be determined as per the prescribed procedure and/or guidelines by the Land Allotment Scrutiny Committee and approved by the Authority from time to time. The approved Reserve Price shall be issued in the form of a Standing Order of the Authority.

6. Methods of Allotment and Selection

6.1 In pursuance of the provisions of the Amaravati Land Allotment Rules, 2017, the Authority shall implement the following methods for allotment of land:

6.1.1 By the method of freehold/leasehold for land allotted for residential and commercial uses.

6.1.2 By the method of leasehold (up to 99 years) for other land uses.

6.2 Public Auction including e-Auction and Public Tender including e - Tendering: In case of a public auction/tender, the Authority shall cause a Public Notice to be issued as provided in the Act.

6.2.1 Conditions of the Auction / Tender: The auction/tender shall be subject to the following general conditions in addition to any other specific conditions which may be announced on a case to case basis:

6.2.2 Every individual/entity who intends to participate must submit an earnest money deposit (EMD) which shall not be less than Five percent of the reserved price (in case of auction) and not less than Ten percent of the reserved price (in case of tender).

6.2.3 The accepted Bid shall not be less than the Reserve Price or the Upset Price as may be determined by the Land Allotment Scrutiny Committee (LASC).

6.2.4 The Authority shall have the right to reject the highest Auction Bid or the highest Tender Bid without assigning any reasons thereof.

6.2.5 The balance amount being the difference between the Auction Bid amount and the EMD, shall be paid in two instalments as provided in these Regulations.

6.3 Quality cum Price Based Selection

6.3.1 The Authority may use this method of allotment:

6.3.1.1 Where it intends to allot plots for some specific use for Economic and/or Social Development Objectives.

6.3.1.2 Where Quality of the successful bidder is important but not Paramount though not important in the event of the participation of many potential bidders of good quality.

6.3.1.3 Where the market price vis-à-vis the merits of the Bidder cannot be determined.

6.3.1.4 Where the applicant/bidder is a medium-to-large entity as per the classification notified by the Government of Andhra Pradesh /Government of India.

6.3.2 Marketing Booklet:

6.3.2.1 The Marketing Booklet shall; in addition to the contents given in these Regulations also include the following:

6.3.2.1.1 The Marketing Booklet shall ask for relevant information from the Applicant regarding the applicant's present strengths in financial terms, technical terms and the ability to carry out the project.

6.3.2.1.2 The Marketing Booklet may also

prescribe the minimum eligibility criteria for the allotment of land. For example, financial (e.g., annual turnover of the company) and technical (e.g., past experience of the applicant, number of years in operation and so on).

6.3.2.1.3. The Booklet shall also indicate the developmental goals for the property in terms of numbers of jobs to be created, total investment, phasing of employment, etc.

6.3.3 Applications are scrutinized on objective criteria as mentioned in the Marketing Booklet.

6.3.4 Financial bid of all Applicants complying with all such requirements as prescribed by the Relevant Authority is opened and the highest Financial Bid shall be selected for approval by the Authorized Person.

6.4 Quality Based Selection

6.4.1 The Authority may use this Method of Allotment:

6.4.1.1 Where it intends to allot land/plots for Economic, Social and Infrastructure Development objectives or any combination thereof.

6.4.1.2 Where the applicant/bidder is large but not unique.

6.4.1.3 Where quality of the Applicant is paramount and there are multiple potential applicants.

6.4.1.4 Where the market price vis-à-vis the merits of the Applicants is not determinable.

6.4.2 Marketing Booklet:

6.4.2.1 The Marketing Booklet shall in addition to the contents given in these Regulations also include the following:

6.4.2.1.1 The Marketing Booklet in this case shall ask for relevant information from the Applicant regarding the applicant's present strengths in financial terms, technical terms and the ability to carry out the project.

6.4.2.1.2 The Marketing Booklet may also prescribe the minimum eligibility criteria for the allotment of land. For example, financial (e.g., annual turnover of the company) and technical (e.g., past experience of the applicant, number of years in operation and so on).

6.4.2.1.3 The Booklet shall also indicate the developmental goals for the property in terms of numbers of jobs created, total investment, phasing of employment etc.,

6.4.3. Applications shall be scrutinized on objective criteria as mentioned in the Marketing Booklet. All the applicants shall be listed in the order of merit determined by the score in the valuation.

6.4.4 The Financial Bid of the top scoring Applicant shall be opened and processed for approval.

6.4.5 The Authority may negotiate with the top scoring Applicant to improve the financial bid failing which it may negotiate with the second top scoring Applicant and so on.

6.5 On Application and/or by Nomination

6.5.1 The Authority may use this Method of Allotment:

6.5.1.1 Where the Applicant is a department of the Central Government/State Government/Local Self Government.

6.5.1.2 Government Autonomous Body constituted under any Act provided the land is used for public purpose.

6.5.1.3 Undertakings of the Central/State Government either for the purpose of office/residential use owned by such undertaking.

6.5.1.4 Where the Applicant is a reputed National/International Institution in the fields of education, health, arts and culture, or is a large and unique National/Multinational Corporation, or is an established R&D Institution.

6.5.1.5 Where the Applicant is a Foreign Government Consulate or any other office of the Foreign Government provided, that necessary permission from the Government of India in this

regard shall be obtained.

6.5.2 The Authority may collect the relevant information from the Applicant about the applicant's present strengths in financial terms, technical terms and the ability to carry out the project. The Authority may also ask the Applicant to indicate the developmental goals for the property in terms of number of jobs created, total investment, phasing of employment, etc.,

6.5.3 Allotment under this Method shall be made with the prior approval of the Government or on a specific direction of the Government.

6.5.4 The Authority may determine the location, size, and price of the land to be Allotted under this method with due regard to the provisions of the Master Plan and/or the Development Plan.

6.5.5 In special cases, the Government may allot the land in phases provided that the Allottee pays the Earnest Money Deposit (EMD) for the complete land.

6.5.6 The Allottee however, will be subject to certain minimum utilization criteria and development goals as may be prescribed by the Authority.

6.5.7 The Allottee will be allotted subsequent phases of land only on satisfactory performance of the obligations by the Allottee. The Allottee may be allotted the Additional land at the price as previously agreed in the Agreement to Lease and increased by the Capital Gains formula as per prevailing Income Tax rules at the time.

6.5.8 If the Allottee subsequently fails to obtain the allotment of land, the proportionate EMD collected at the beginning will be forfeited by the Authority.

6.6 Randomized Selection

6.6.1 This method is typically used for:

6.6.1.1 Affordable housing, EWS housing or housing for any specified category.

6.6.1.2 Allotment of Plot/s for social amenities such as schools and community plots such as Mahila Mandals, educational, health, spiritual & religious institutions, etc.,

6.6.1.3 Other cases of social development where the price is fixed.

6.6.2 Marketing Booklet:

6.6.2.1 The Marketing Booklet in this case shall ask for relevant information from the applicant regarding applicant's present strengths in financial terms, technical terms and the ability to carry out the project.

6.6.2.2 The Booklet shall include details regarding fixed price of allotment, supporting documents to be attached, minimum eligibility criteria, and so on.

6.6.2.3 The Booklet shall also indicate the developmental goals for the property in terms of population to be impacted, development progress, etc.,

6.6.2.4 The final selection shall be by draw of lots.

6.7 Final approval:

6.7.1 The allotment shall be approved at the level mentioned in the following Table:

Sr. no.	Method of Allotment	Criteria	Approving Authority	Remarks
(1)	**(2)**	**(3)**	**(4)**	**(5)**
1	Public Tender/Auction including	Selection through approved process and or when the land area is not more than 10 acres	Commissioner	Provided the bid/s price is equal to or more than RP; otherwise the Executive committee.
		• Any deviation in Selection process irrespective of area • Negotiations • Or Land area more than 10 acres and up to 100 acres	Executive Committee	

2	Quality cum Price Based Selection	Selection through approved process and or when the land area is not more than 10 acres	Commissioner	Provided the bid/s price is equal or more than RP otherwise Authority
		• Any deviation in Selection process irrespective of area • Negotiations • Or Land area more than 10 acres and up to 100 acres	Authority	
3	Quality Based Selection	Area up to 10 Acres	Authority	
		Area more than 10 Acres	Government	
4	On Application/ Nomination	Applicants under the category mentioned under Regulation 6.5.1.1 up to extent of land earmarked in the notified Master plan/ Development Plan	Executive Committee	
		• Applicants under the category mentioned under Regulation 6.5.1.1 in case of deviation from the notified Master plan and up to 100 acres • Applicants under the category mentioned under Regulation 6.5.1.2 and 6.5.1.3 and up to 100 acres	Authority	
		Applicants under the category mentioned under Regulation 6.5.1.4 and 6.5.1.5	Government	

5	Randomized Selection	Selection through approved process and or when the land area is not more than 10 acres	Commissioner	Provided the bid/s price is equal to or more than the RP; otherwise the Executive Committee.
		• Any deviation in Selection process irrespective of area • Negotiations • Or Land area more than 10 acres and up to 100 acres	Executive Committee	

6.7.2 All the cases of land allotments for an area exceeding 100 acres to be allotted through any of the processes described in Regulation 5 shall be with the prior approval of the Government.

7. Terms and Conditions

7.1 Payment of Lease Premium or Sale Consideration

7.1.1 In case of lease, the Authority may opt for any one of the following options:

7.1.1.1.1 An upfront payment of the lease premium with nominal lease rentals charged per year.

7.1.1.1.2 Payment of lease rentals on an annual basis.

7.1.1.1.3 A combination of the two (some portion as upfront payment while the remaining in the form of lease rentals).

7.1.2 Lease Premium or Sale Consideration as agreed to be paid by the Lessee or the Buyer shall be paid as follows:

7.1.2.1 First Instalment of 50% of the Lease premium or Sale Consideration reduced by the amount of the Earnest Money Deposit, shall be paid within forty five (45) days from the receipt of letter of intent.

7.1.2.2 Second Instalment of 50% of the Lease Premium or Sale Consideration reduced by the amount of the Earnest Money Deposit, shall be paid within seventy five (75) days of the letter of Intent.

7.1.2.3 Provided that in some cases so permitted by the Authority, the above period for payment of first and second instalment as above shall commence 6 months after the date of letter of intent thus enabling the Allottee to obtain the necessary permissions, financial closure and be in readiness to undertake the development of the project for the allotted purpose.

7.1.2.4 Provided that the Authority shall consider permitting such cases only in respect of lands with an extent of not less than 50 acres.

7.1.3 The Commissioner may, subject to such delay being not attributable to the Allottee, extend the period of payment of the first instalment by a period not exceeding three(3) months, and the Authority may extend the period of payment of the second instalment for period not exceeding ten(10) months.

7.1.3.1 Provided that the extension as above shall be given on payment of 'Delayed Payment Charges' at the rate to be determined by the Authority from time to time.

7.1.4 Any failure on the part of the Intending Lessee or Intending Buyer to pay the first instalment as above, shall result in the cancellation of the letter of intent and forfeiture of the Earnest Money Deposit paid by him.

7.1.5 Any failure on the part of the Intending Lessee or Intending Buyer to pay the second instalment as above shall result in the cancellation of the letter of intent and forfeiture of the Earnest Money Deposit and 25% of the amount of first instalment.

7.1.6 The Lessee, during the course of the project, may choose to capitalize the remaining lease rentals due from him to the Authority and make a one-time payment in advance at a later stage of the project.

7.1.7 Recourse to the cancellation of the letter of intent and forfeiture of the Earnest Money Deposit and/or 25% of the amount of first instalment is without prejudice to the right of the Authority to recover from the Intending Lessee or Intending Buyer, the loss or damage suffered by the Authority in consequence of the default of the Intending Lessee or Intending Buyer.

7.2 Agreement to Lease or Agreement for Sale and the Permit to Enter Upon Land

7.2.1 On the payment of full lease premium, the authority shall call upon the intending lessee or intending Buyer as the case may be, to execute an Agreement to Lease or Agreement for Sale in the format prescribed by the Authority within a period of thirty (30) days from such call. The Intending Lessee or the Intending Buyer shall execute with the Authority such Agreement to Lease or Agreement for Sale, as the case may be, whereupon the Authority shall permit the Intending Lessee or the Intending Buyer by Permit, to enter Upon the land for the purpose of erecting the structure or structures there on.

7.2.1.1 Provided that the Commissioner may extend, the period mentioned in 7.2.1 by a period not exceeding three (3) months, on payment of the watch and ward charges by the Intending Lessee or Intending Buyer at the rate to be determined by the Authority from time to time.

7.2.2 Failure on the part of the Intending Lessee or the Intending Buyer to execute the Agreement to Lease or the Agreement for Sale as the case may be, as mentioned above shall result in the cancellation of the Letter of Intent and forfeiture of the Earnest Money Deposit and 25% of the instalments of the lease premium or sale price, without prejudice to the right of the Authority to recover the loss and damages inconsequence of such failure of the Intending Lessee or the Intending Buyer.

7.3 Implementation Period

7.3.1 **Implementation Period:** The Intending Lessee or the Intending Buyer shall complete the construction of buildings, structures or other works as per the Agreement to Lease or Agreement for Sale within a period of four (4) years or as prescribed in the Agreement to Lease or Agreement for Sale from the date of the Agreement to Lease or Agreement for Sale and/or Permit to enter upon the land, whichever is earlier. The word 'complete' in this case shall mean:

7.3.1.1 Use of 75% of the Floor Space Index granted if no specific provision in this regard is made in the Agreement to Lease or Agreement for Sale.

7.3.1.2 Use of the Floor Space Index granted and achievement of the milestones as per the Agreement to Lease or Agreement for Sale.

7.3.1.3 Obtain an Occupancy Certificate from the prescribed authority.

7.3.2 Extension of Implementation Period: If the Lessee is not able to achieve the completion as state above, he may apply to the Commissioner for extension of time and the Commissioner may grant such extension by charging Additional Lease Premium or Delayed Construction Charges (in case of sale) as per the policy in this regard made by the Authority from time to time provided that the Lessee or Buyer had achieved the following:

7.3.2.1 The Lessee or Buyer has applied and obtained the Building Permission.

7.3.2.2 The Lessee or Buyer has commenced the construction on the allotted Plot of Land.

7.4 General Conditions of Lease and Sale Deed

7.4.1 Execution of the Lease Deed OR Sale Deed:

7.4.1.1 As soon as the Occupancy Certificate is received by the Lessee or Buyer from the appropriate planning authority, the Lessee or Buyer shall apply to the Authority for execution of the Lease Deed or sale deed as the case may be. The Authority shall grant the Lease of the Plot and the buildings thereon or execute the Sale Deed, if the Lessee or Buyer has observed all the terms and conditions of the Agreement to Lease or Agreement for Sale.

7.4.1.2 Where an allottee has requested for execution of sale deed before implantation of the project for obtaining loan / financial assistance from Schedule Banks / State or Central financial institutions, sale deed may be executed with a condition of cancellation of sale deed if the allottee fails to implement the project. The value of the Plot / Land covered by such sale deed shall not exceed the sale consideration paid to the authority till such completion of project as envisaged in the approved Detailed project report. Tripartite TRA Agreement, Trust and Retention Account Agreement, deed of sale to be executed.

7.4.2 The Lease or the Sale deed shall be executed by the Authority upon such terms and conditions including the following general terms and conditions:

7.4.2.1 Lessee or Buyer during the lease period in case of Lease Deed or after the execution of the Sale Deed, as the case may be, shall pay all the rates, taxes, and other charges due and becoming due in respect

of the allotted Land;

7.4.2.2 Lessee or Buyer shall pay the land revenue including the Non Agricultural assessment or any other taxes or fees under the Andhra Pradesh Revenue Recovery Act, 1864 or under any other applicable Act/s in force.

7.4.2.3 Whenever any of the charges recoverable under 7.4.2.1 and 7.4.2.2 above or the Lease Rent (in case of Lease Deed), falls into arrears, the Authority shall be entitled to recover the same as 'Arrears of Land Revenue', as per the procedure laid down in Andhra Pradesh Revenue Recovery Act,1864.

7.4.2.4 The Lessee or the Buyer shall pay all costs and expenses, incidental to the preparation, execution and registration of all deeds or instruments of lease or sale including the stamp duty and registration charges prescribed under the G.O.Ms No. 408 (issued by the Revenue department of Andhra Pradesh), the Indian Stamp Act, 1899 and Andhra Pradesh Rules under the Registration Act, 1908.

7.4.2.5 Notice of demand: Any letter or Notice sent by the Authority through the Registered Post or through the Electronic Post (E Mail) to the Lessee or the Buyer at the address or E Mail Address given in the Agreement to Lease or Agreement for Sale shall be deemed to have been legally delivered and served upon the Lessee or the Buyer.

7.4.2.6 Preference in employment: Lessee OR the Buyer shall give preference to the local, displaced persons in employment in the labour and semi-skilled categories, provided they satisfy the prescribed qualifications.

7.4.2.7 Payment of Service Charges: The Lessee OR Buyer shall pay to the Authority the Service Charges as determined by it from time to time, towards the cost of establishing and maintaining civic amenities such as roads, water, drainage, sewage, solid waste collection and management etc. This Service Charge shall be payable to the Local Body as and when the same is so authorized or is newly created.

7.4.3 The Authority may stipulate additional General Conditions for the Lease/Sale Deed as deemed necessary by the Authority.

7.5 Special Conditions of Lease Deed

7.5.1 **Lease Period:** The Lease shall normally be for a period of sixty (60) years, which may in special circumstances to be recorded in writing be / extended up to ninety nine (99) years, with the prior approval of the Authority.

7.5.2 **Consideration of Lease:** The Lease shall be granted in consideration of Premium or Rent or both premium and rent.

7.5.3 **Payment of Lease Premium and/or Lease Rent:** The Lease Premium Shall be paid in the manner prescribed under these Regulations. The Rent may be paid either annually or be paid in lump sum at a discounted rate to be decided and declared by the Authority from time to time.

7.5.4 **Lease Period:** The period of the lease shall commence from the date of Agreement to Lease.

7.5.5 Lessee shall not change the use of the land for any other purpose other than the one prescribed in the Lease, either fully or partly without prior permission of the Authority in writing and without payment of prescribed Additional Lease Premium and other charges as may be determined by the Authority from time to time.

7.5.6 If any additional Floor space Index is available for the land or for to the use for which the land is leased as on the date of Agreement to Lease or so becomes available after the execution of the Agreement to Lease or the Lease Deed, the Lessee may use the same with prior permission of the Authority subject to payment of Additional Lease Premium and other charges as may be determined by the Authority from time to time.

7.5.7 The Allottee shall not assign, mortgage, sublet or underlet, or otherwise transfer fully or in part, his leasehold interest in the Plot or transfer his possession of the Plot to any person without complying with the following conditions to the satisfaction of the Authority and obtaining prior approval of the Authority in writing:

7.5.7.1 Allottee shall pay to the Authority the Transfer Charges and applicable process fees as determined by the Authority from time to time.

7.5.7.2 The original Allottee shall ensure that the transferee executes the necessary documentation including but not limited to a Deed of Adherence undertaking to perform all the obligations under the Lease Deed including the covenant for utilization of Land solely for the purpose for which it is allotted by the Authority to the original Allottee. However, such sub

lease or assignment shall not absolve the original Allottee from its obligations under the Agreement to Lease/Lease Deed and it shall always be directly responsible for the performance of obligations under Lease to the Authority.

7.5.7.3 The assignee or sub-lessee shall have at least the same qualifications as prescribed by the Authority vis-à-vis the original Allottee.

7.5.7.4 The shareholders/members of the original Allottee shall hold not less than 51% of the equity in case of a Company or 51% share in the profit and loss of the partnership firm/LLP until the implementation of the project.

Provided that the Authority may in case of land allotted by Agreement to Lease for certain purposes, prohibit the transfer/assignment, mortgage, sublease or under letting as enumerated under this Regulation. Provided further that with the permission of the Authority in writing, the Allottee may mortgage the Plot to:

7.5.7.5 Central or State Government.

7.5.7.6 Nationalized Banks.

7.5.7.7 Financial Institutions duly notified by the Authority from time to time.

Subject to the other conditions as may be enumerated under the Agreement to Lease, the primary condition is that the finance / loan amount received under such mortgage shall be applied only towards the development of the Plot.

7.5.8 **Change in constitution:** Subject to the condition enumerated in Regulation 7.5.7.4, the allottee may be permitted to change its constitution in the following cases:

S. No	Original Allottee	Converts into an Allottee in whose name the allotment is
1	Proprietor/Individual	1) Other proprietary firm 2) Partnership Firm 3) Company (under the Companies Act)
2	Partnership	1) Company (under the Companies Act)
3	Company under the Companies Act and/or	1) Special Purpose Company 2) Any Other Company

4	Company under the Companies Act	Transfer of allotment to subsidiary/holding/associated

The Authority may issue Standing Orders from time to time for detailed procedures regarding changes in constitution, changes in legal status of the Allottee, change in the activity of the Allottee including but not limited to the applicable process fees and transfer charges.

7.5.9 Transfer of the Leasehold interest in the allotted land shall mean and include the transfer of share or shares by the shareholders of a Company (Registered under the Companies Act, 1956 or Companies Act, 2013), or the members of the Co-operative Society, or by partners of the Partnership Firm, or by the partners in the Limited Liability Partnership Firm or by individuals in a group or association when such a group or association is the Lessee.

7.5.10 Determination of Lease and Power of Re-entry: Including but not limited to the below circumstances, the Authority may determine the Lease if:

7.5.10.1.1 The Lessee is unable to use the land as prescribed under the Agreement to Lease, including the Lessee's failure to achieve implementation mile stones.

7.5.10.1.2 The Lessee fails to pay the Lease rent or the Lease Premium or other dues of the Authority or the Government as agreed in the Agreement to Lease/Lease Deed.

7.5.10.1.3 The Lessee sells, assigns, sublets, underlets or in any other manner parts with its lease hold rights in the allotted Plot of Land including the sale or attempt to sell the Plot of Land fully or partly, without obtaining necessary permission in writing from the Authority.

7.5.11 The Lessee shall upon expiry or early determination of the Lease Deed in accordance with the Agreement to Lease/Lease Deed, hand over the vacant and peaceful possession of the Plot of Land in as good a condition as it was handed over to it, except for the normal wear and tear.

7.5.12 If on expiry or early determination of the Lease, the Lessee does not vacate and continues to hold over possession of the Plot of Land such occupation and/or possession shall be construed as unauthorized occupation and the Person in possession as trespasser and the Authority may secure summary eviction of such person in the manner as provided

in the Andhra Pradesh Public Premises (Eviction of Un-authorized Occupants) Act,1968.

7.5.13 The Authority may stipulate other Specific Conditions in addition to the above in the Agreement to Lease / Lease Deed.

7.6 Special Conditions of Sale

7.6.1 The land shall be allotted in perpetuity with all such rights and privileges as may be granted by the Authority. However the General Conditions of Sale as mentioned in these Regulations and the following Special Conditions of Sale shall also apply:

7.6.2 The Buyer is entitled to use the land for any of the permitted uses as agreed under the Agreement for Sale and/ or Sale Deed and as per the provisions of the Zoning Plan, after approval of the Authority on payment of the charges and fees etc. prescribed by the Authority from time to time.

7.6.3 The Authority may stipulate other Specific Conditions in addition to the above in the Sale Deed.

7.7 Termination of Agreement to Lease or Agreement for Sale and the Permit or Sale deed

7.7.1 **Grounds for Termination:** The Authority may terminate the Agreement to Lease or Agreement for Sale and the Permit to enter upon the land, including but not limiting to, if the Lessee or the Buyer:

7.7.1.1 to obtain (except for reasons beyond his control) the building permission, commence and/or complete the construction of the buildings structures or is otherwise unable to take possession of the land, or achieve the milestones in terms of the Agreement to Lease or Agreement for Sale or Sale deed.

7.7.1.2 Fails to observe and perform in accordance with the terms and conditions of the Agreement to Lease or Agreement for Sale and/or the Permit / Sale deed.

7.7.1.3 Fails to carry out the construction with utmost care, diligence and in accordance with the best industry practices.

7.7.2 **Handover of Plot / Land:** The Lessee or Buyer shall on the termination / cancellation when fails to implement the project of the Agreement to Lease or Agreement for Sale / Sale deed and / or the Permit, simultaneously handover the de e ds and peaceful possession of the vacant land in as good a condition

as it was handed over to it, except for the normal wear and tear.

7.7.3 **Summary Eviction:** If on termination of Agreement to Lease or Agreement for Sale and /or of Permit, any holding over of the Plot of Land by the Lessee or the Buyer, shall be unauthorized occupation and any person found in such unauthorized occupation will be a trespasser and the Authority may secure summary eviction of such person in the manner as provided in the Andhra Pradesh Public Premises (Eviction of Un-authorized Occupants) Act, 1968.

8. Miscellaneous

8.1 The chapters in these Regulations have only been introduced for the convenience of reading.

8.2 The Authority may from time to time issue relevant Standing Orders prescribing detailed procedures for the implementation of these Regulations.

8.3 The Authority may from time to time make schemes of rewards and penalties to encourage timely payment of lease premium or sale price and for the completion of the purpose for which the land is allotted.

8.4 The Authority may from time to time make general or specific changes, or relax the provisions of the Regulations in specific cases provided such changes and/or the relaxation is in furtherance of the objectives of the Act and/or the Rules.

AJAY JAIN,
Principal Secretary to Government (CRDA).

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